

Grand Square Owner Urges Balance with Regulatory Compliance as Frederiksted Businesses Struggle

As businesses in Frederiksted's Grand Square struggle to survive, property owner urges the HPC to balance regulatory compliance with the financial challenges faced by tenants, warning that strict enforcement could push them into insolvency

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Strand Street, Frederiksted, St. Croix in 2015. By. V.I. CONSORTIUM

Businesses at Grand Square in Frederiksted, St. Croix, are facing significant challenges as they operate on tight margins despite paying minimal rents. Justin Cohen, owner of the property located at 70 King Street, highlighted the fragile financial situation of his tenants during a meeting with the St. Croix Historic Preservation Committee (HPC) last Thursday, while urging the

committee to be mindful of the impact strict enforcement of compliance could have on these struggling businesses.

“These tenants are always struggling to survive...the rent that they pay is very low, but still they struggle to survive, and they’re barely at sustenance level,” Cohen explained while seeking approval for roof repairs at the property. However, during the discussion, committee members raised concerns about unapproved signage by several businesses operating out of the complex.

"Currently, there are five businesses within Mr. Cohen’s establishment that...have unapproved signage, and banners that did not come before the HPC," said Phil Codrington, HPC coordinator. Cohen responded by explaining that he had already notified tenants of the need to comply with HPC standards and promised to amend leases to mandate adherence to district regulations, HPC guidelines, and the Department of Planning and Natural Resources (DPNR) requirements.

Despite his willingness to bring the property into compliance, Cohen expressed concerns that strict enforcement of these requirements could further strain tenants, many of whom are barely staying afloat. “I am, as an owner, concerned that many of these tenants have considerable difficulty surviving at very low rents,” Cohen said, noting that the rent for his King Street property is just 15% of what he charges for similar commercial properties in Florida.

Cohen also warned that some businesses were already on the brink of closure. He revealed that one tenant would be closing by the end of the month, while another “very prominent tenant in this complex can’t make it right now...We’re probably going to evict him,” he said. Cohen cautioned that imposing stringent compliance measures could drive businesses into insolvency, risking further closures in downtown Frederiksted and contributing to potential blight. He urged the HPC to “consider what some of these tenants may need in order to continue functioning.”

Responding to Cohen’s concerns, HPC Chair Colette Woodson Burgess reassured him that the committee was not seeking to push anyone out of business. She emphasized that certain violations, such as paint color, could be rectified without significant additional expense. “If they’re buying paint anyway, we’re just asking that when they buy the paint, they just buy the right colors,” Burgess explained. She also noted that businesses could avoid penalties by seeking HPC approval before making any non-compliant improvements. “If they just come to us initially and find out what they can and cannot do, it’ll be a big cost-saving measure for them,” she added.

During the same meeting, the HPC easily approved several signage requests, including applications from Dazzled on 55 Company Street in Christiansted, Crucian Clayworks on 2A Strand Street in Frederiksted, and Tap Deck on 1 Strand Street.